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UNITED STATES DISTRICT COURT
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                   WESTERN DISTRICT OF NEW YORK
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    MOOG INC.,
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                                     22-CV-187
                                )
                    Plaintiff )
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    VS.
                                 Buffalo, New York
    SKYRYSE, INC., et al
6
                               ) July 15, 2022
                    Defendant.
7
    ORAL ARGUMENT
    Proceeding held via Zoom for Government Platform
8
    All parties appeared remotely.
    Transcribed from audio of Zoom for Government Platform
                    TRANSCRIPT OF PROCEEDINGS
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          BEFORE THE HONORABLE JEREMIAH J. MCCARTHY
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                  UNITED STATES MAGISTRATE JUDGE
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    FOR PLAINTIFF: SHEPPHARD MULLIN RICHETER & HAMPTON, LLP
13
                    BY: RENA ANDOH, ESQ.
                        LAI YIP, ESQ.
                        KAZIM A. NAQVI, ESQ.
14
                              -and-
15
                    HODGSON RUSS, LLP
                    BY: ROBERT J. FLUSKEY, JR, ESQ.
                        PAULINE MUTO, ESQ.
16
17
    FOR DEFENDANT: LATHAM & WATKINS, LLP
                    BY: DOUGLAS E. LUMISH, ESQ.
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                        GABRIEL S. GROSS, ESQ.
                        KELLEY STOREY, ESQ.
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                        ARMAN ZAHOORY, ESQ.
                        RYAN BANKS, ESQ.
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    FOR DEFENDANT
    PILKINGTON/KIM: WINGET, SPADAFORA & SCHWARTZBERG, LLP
22
                    BY: ALEXANDER ASHER TRUITT, ESQ.
                        ANTHONY D. GREEN, ESQ.
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24
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1 MOOG, INC. VS. SKYRYSE, INC. 2 3 PROCEEDING 4 5 12:32:19 12:32:19 6 THE CLERK: Good afternoon. We're on the 7 12:33:14 record in civil proceeding 22CV187, Moog V Skyryse for 12:33:17 8 oral argument. Could, participants please state their 12:33:25 9 12:33:28 10 appearances? 11 MS. ANDOH: Your Honor, on behalf of 12:33:31 Plaintiff Moog, you have Rena Andoh, Lai Yip and Kazim 12:33:33 12 12:33:39 13 Naqvi from Shepphard Mullin, and then you have Rob 12:34:29 Fluskey and Polly Muto from Hodgson Russ. 14 12:34:33 15 MAGISTRATE JUDGE MCCARTHY: Okay. 12:34:33 16 afternoon, everyone. MS. ANDOH: Good afternoon. 12:34:35 17 12:34:36 18 MR. LUMISH: Good afternoon, your Honor. 12:34:38 19 Doug Lumish, Latham and Watkins from Skyryse. With me 20 12:34:43 is my partner, Gabe Gross. And then if you take up all 2.1 of the motions, you'll hear from Arman Zahoory and Ryan 12:34:47 12:34:52 22 Banks. And then some other team members that are here 12:34:55 23 to observe. And then I want to introduce Gerry Luni. I 12:35:00 24 don't know if we did this last time. Ms. Luni is 25 general counsel at Skyryse, and she is observing here as 12:35:02

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                           MOOG, INC. VS. SKYRYSE, INC.
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            well.
                        MAGISTRATE JUDGE MCCARTHY: Good afternoon,
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            everyone. I do believe I met Ms. Luni at the last
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            conference, if memory serves. Okay.
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                         MR. GREEN: Good afternoon, Anthony Green
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            and here on behalf the individual Defendants Robert
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            Pilkington and Ms. Misook Kim.
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                         MAGISTRATE JUDGE MCCARTHY: Good afternoon
            to all of you. And did you all receive my e-mail of
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            earlier today?
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                         MS. ANDOH: We received an e-mail from you
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            regarding the trade secret identification motion.
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            referenced the possibility of also sending some notes on
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            Moog's motion to compel that we did not receive.
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                         MAGISTRATE JUDGE MCCARTHY: You did not
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            receive that because I didn't send it.
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                         MS. ANDOH: As long as it wasn't
            transmitted, your Honor, we're good.
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                         MAGISTRATE JUDGE MCCARTHY: No, that is
       2.1
            okay. I may, you know, depending on the time frame
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            today, I may have to do a little triage and reconvene,
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            perhaps, next week on some aspects. Let me just begin,
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            and then I'll hear from counsel. I do want to address,
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            first, and I know all three motions that are before me
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1 MOOG, INC. VS. SKYRYSE, INC. right now, the Skyryse's motion to compel identification 12:36:15 2 of the trade secrets, that is docket No. 166. And then 12:36:21 3 Moog's motion to compel, production of discovery 12:36:30 4 responses, that is 176. And Skyryse's motion to compel 12:36:33 5 12:36:40 production of various discovery information is 179. want to start with the trade secret motion, and we'll go 7 12:36:48 12:36:56 8 as far as we can today. And if we need to continue into some day next week or whenever is convenient for all of 12:37:00 9 12:37:02 10 you, I will work that out. I got some more flexibility. I think you had been advised that I, believe it or not, 12:37:08 11 12:37:12 12 might be serving on a state court jury, and I thought I 12:37:15 13 would be knocked out immediately. But, to my amazement, I wasn't. I was eventually knocked out, but I was kind 12:37:22 14 12:37:26 15 of amazed I stayed in the process as long as I did. But, in any event, I think it helped that I wore my robe 12:37:30 16 over to jury selection. All right. 12:37:37 17 12:37:40 18 First of all, let me ask all of you, has anybody contacted Judge Vilardo's Chambers to set a 12:37:42 19 20 12:37:49 specific date or dates for the hearing in October? 2.1 tried to contact his Chambers today, but the calendar 12:37:54 12:38:00 22 clerk was out. Has that been done? 12:38:05 23 MS. ANDOH: To my knowledge, your Honor, it 12:38:07 24 has not. And that is actually sort of a housekeeping

issue that I think we probably need to raise with you in

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context of some of this motion practice because what you're going to be hearing from us when we talk about this trade secret issue is that there is quite a backlog at our forensic vendor with respect to Moog getting access to all of the images that have been produced to So, as we sit here today, I think the hope had been that we were going to have access to all of the images by the beginning of July, and it now appears that we will not have access to all of them until, possibly, by the end of this month, depending on the speed with which the various technical issues and backlog is getting resolved. And, also, I defer to my colleague, Mr. Fluskey on this, but we were trying to figure out what the best way was to have this discussion with your Honor, because it seems unlikely that we're going to be able to have this October 17 date hold if we're in a situation where we still haven't actually received access to all of the discovery that we're supposed to be reviewing eight weeks out.

MAGISTRATE JUDGE MCCARTHY: Right. Okay.

No, I understand. And that seems to be an issue that is nobody's fault, directly, other than it's just a logistical problem that has arisen. So, I guess what -- we'll put that issue on hold for a little bit. And I'll

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hear from counsel from Skyryse on this motion, but the 12:39:35 2 reason I sent that e-mail was just to kind of think out 12:39:39 3 loud, if you will, and, as I indicated, that is by no 12:39:44 4 means a final decision, but it's just that I see things 12:39:49 5 unfolding at one speed or another under those general 12:39:56 6 parameters. I think everybody would agree that whenever 7 12:40:03 12:40:06 -- when you get to the preliminary injunction hearing, 8 12:40:10 whenever that is, whether it's October or a later date, 9 if Moog is going to succeed, it's going to have to give 12:40:15 10 11 Judge Vilardo considerable detail as to precisely which 12:40:21 trade secrets it claims to have been wrongfully used by 12:40:28 12 12:40:32 13 the Defendants, taken and/or used. And by the same token, well, I can say, having spoken to Judge Vilardo 12:40:38 14 12:40:46 15 on this question, that, you know, he is going to want to make sure that Skyryse and the individual Defendants 12:40:52 16 have had an adequate opportunity to prepare their 12:40:55 17 position once that specific identification has been 12:41:00 18 12:41:05 19 made. Now, I did say in the past, and, you know, I 12:41:08 20 recognize that Moog has quoted my statement that 21 Skyryse, or, excuse me, that it cannot be expected to 12:41:12 12:41:19 22 identify all of the trade secrets which it will claim or 12:41:23 23 which it will intend to invoke in this case when it 12:41:29 24 doesn't know the full scope of what was taken, and, I can see their position in that regard. On the other 12:41:34 25

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MOOG, INC. VS. SKYRYSE, INC.

hand, at some point, that is going to have to occur and then I think we have to work backwards from that as to when the specific identification is going to take place. And, you know, I'm not, by no means, an expert on source code or anything of that sort, but it does seem to me 6 from what I've read, that there is going to have to be a fairly specific identification of the particular 8 components of source code, whether by line or whatever that is claimed to be a trade secret and why. then, there also has to be -- it's part of Moog's burden in showing that a particular item is a trade secret, they are going to have to show, not only that it's not known in the art, but that reasonable measures have been taken to protect its confidentiality. And I know that is part of the dispute in terms of the demands that Skyryse is making, I guess, in its companion motion. But, sooner or later, that identification, specific identification, is going to have to be made. And I just thought I would throw this out to people. I'm sure it's something that everybody has already been thinking of, but it seems to me we need to work out a time frame for which the specific identification is going to be made and work backwards from that. I've said my peace in that regard for right now.

1 MOOG, INC. VS. SKYRYSE, INC. I'd like to hear from counsel, first, from 12:44:49 2 Skyryse, and then from counsel for Moog and the 12:44:51 3 individual Defendants. 12:44:54 4 12:44:56 MR. LUMISH: Thank you, your Honor. 5 12:44:58 6 Lumish again for Skyryse. Forgive me if I keep clearing my throat and coughing. I'm about day 20 after Covid 7 12:45:02 12:45:06 8 and it won't quite leave. 12:45:09 MAGISTRATE JUDGE MCCARTHY: Sorry to hear 12:45:11 10 that. 12:45:11 11 MR. LUMISH: It keeps interrupting my 12:45:13 12 ability to spike. I apologize for that. 12:45:15 13 MAGISTRATE JUDGE MCCARTHY: No problem. MR. LUMISH: Your Honor, I was instructed 12:45:16 14 12:45:18 15 when I was a young lawyer that when the judge has given a tentative in your favor, don't talk too much and don't 12:45:22 16 talk your way out of the tentative, so I'm going to be 12:45:26 17 careful here not to do that. 12:46:30 18 MAGISTRATE JUDGE MCCARTHY: Let me just 12:46:32 19 12:46:33 20 emphasize, it's only very tentative. It's kind of 2.1 thinking out loud with you folks. But I see your point 12:46:40 12:46:44 22 in your papers, but I also, you know, to a certain 12:46:48 23 extent, I see Moog's point. So I'm just trying to work 12:46:52 24 through a realistic time table for everybody. 25 MR. LUMISH: Fair enough, your Honor, and I 12:46:56

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understand that. So, I think the point from Moog that I'll start with, which is the one I think your Honor probably has some sympathy with the allegations this is some vast theft and some extraordinary case and there are these huge numbers of documents that we hear in every paper and we hear about in every hearing, I just want to start at first principles. This case is not some extreme outlier that should be one that throws all the rules out the window, including Rule 26 and Rule 33. The allegations at heart are that two former Moog employees left the company, and on the way out the door, they copied a large volume of documents. And given the volume, it's probably a hard drive or, you know, some large directories and what not. And I'll let Mr. Green speak to the details of that if he chooses to. But at the end of the day, this fact pattern is a common one. It's what you hear every day in trade secret cases all over the country that the former employees left and took documents with them when they left and brought them with them when they joined a competitor. It's not some extraordinary case. It's not some extreme fact pattern that somehow excuses Moog from basic discovery obligations. And that is what our motion is really about is one about a basic discovery obligation. We ask

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in our first interrogatory, which is the classic 12:50:25 2 interrogatory one in a trade secret case, "tell us what 12:50:30 3 your trade secrets are." And they should be forced to 12:50:35 4 answer that like every other trade secret Plaintiff. 12:50:39 5 It's four months into the case now. We are, unless they 12:50:42 6 7 are successful in, apparently, now to move the hearing, 12:50:46 which we may object to, three months away from a hearing 12:50:49 8 in front of Judge Vilardo where they are going to ask 12:50:53 9 Judge Vilardo to impose very significant injunctive 12:50:56 10 relief on Skyryse. And what they are not going to say 12:50:59 11 to Judge Vilardo is, well, our trade secrets are 12:51:04 12 somewhere in the nine devices that we gave to the 12:51:07 13 12:51:10 neutral discovery vendor, IDS, go find them for 14 12:51:17 15 yourself. And yet, that is what they've told us. they are not going to say to Judge Vilardo, it's all of 12:51:22 16 every single word of the 1.1 million files we say that 12:51:25 17 Mr. Pilkington took and the 136,000 files that we say 12:51:29 18 Ms. Kim took, go figure it out yourself. They are going 12:51:35 19 12:51:42 20 to give Judge Vilardo, if they want to win their motion, 21 they are going to give Judge Vilardo some discrete set 12:51:48 12:51:51 22 of things they say here is what is different about what 12:51:54 23 we do from what's in the general knowledge of the field. 12:51:57 24 That is definitional for trade secret. If they don't do that, they are out. They are going to say, here are the 25 12:52:01

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12:52:05 specific trade secrets. They have to identify them with 2 particularity in the rules of the district. If they 12:52:08 3 don't do that, they are out. They have to show they had 12:52:15 4 possession of those trade secrets. As your Honor noted, 12:52:18 5 they have to show they took reasonable protective 12:52:21 measures to protect those trade secrets. Those are all 7 12:52:26 things that are definitional. If they don't meet those 12:52:29 8 thresholds that they even begin to have trade secrets, 12:52:38 they lose. So, we know they have to come to Judge 12:52:42 10 Vilardo with something. And right now, what they've 12:52:48 11 given us in response to interrogatory one is, we'll tell 12:52:50 12 12:52:53 13 you later after discovery is over, maybe, but go 12:52:57 investigate it yourself by asking our former employees 14 12:53:01 15 who you fired, and by looking in the nine devices that we produced to IDS. That is not a proper response. 12:53:03 16 That is not in any way close to a sufficient response 12:53:06 17 under Rule 26 or Rule 33. And at the end of the day, 12:53:11 18 we're really just asking them to provide a true and 12:53:15 19 20 12:53:19 honest response. They can supplement. Let's talk about 21 the volume again. I understand, your Honor, where the 12:53:23 12:53:28 22 issues lie. I get it, there are a lot of issues that 12:53:34 23 are here. They say it's of our making, but it's really 12:53:39 24 of their making. They don't identify which of those 25 files matter. Some of them, I don't know what they are, 12:53:44

MOOG, INC. VS. SKYRYSE, INC. 1 although Mr. Green maybe knows better than I do. 12:53:47 2 of them may be system files. 1.1 million files sounds 12:53:51 3 to me like a hard drive dump. What is it in that that 12:54:00 4 What are they going to stand up and say? 12:54:11 5 12:54:18 a trade secret for which preliminary injunctive relief? I have no idea. And they simply need to tell us and 7 12:54:28 12:54:31 8 they should have told us already. 12:54:33 So, when your Honor talks about time frames, we think they should start today, give them a week, give 12:54:43 10 11 them two weeks to start telling us a list of 12:54:50 particularized trade secrets, but it shouldn't be longer 12:54:56 12 12:54:59 13 than that. They want to start taking depositions of witnesses soon. We've been suffering under the 12:55:01 14 12:55:05 15 abnormality of the vague document request that we've gotten and produced just everything we can find. 12:55:09 16 it's time now to start to tailor this case to make it 12:55:12 17 12:55:16 18 proportional to a trade secret case in a normal sense. 12:55:20 19 Again, we're three months in the case, and we're three 12:55:22 20 months from a preliminary injunctive hearing, and we're 2.1 kind of in opposite land. It's moving in the opposite 12:55:25

discovery when they haven't identified a single trade secret. And they've told us in no uncertain terms, they

way of a normal trade secret case. We're turning the

company upside down and producing all of this vast

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just won't unless your Honor tells them they have to. 12:55:47 2 We're here asking your Honor to tell them they have to. 12:55:51 3 Your Honor knows that they have to do all of the things 12:55:54 I said, identify the trade secrets with particularity. 12:55:56 5 They have to show they are different in the general 12:55:59 knowledge. They have to show they had possession of 7 12:56:15 them. They have to show, to reasonable measures, all 12:56:22 8 12:56:29 that requires for them to say what they are. So let's get to step one. And it sounds like we'll be fighting 12:56:33 10 12:56:39 about all of those other things as well, but we should 11 12:56:41 12 be at step one. They should have known step one when 12:56:45 13 they sued us. They should have known step one when their info security team did their full catalog of all 12:56:50 14 12:56:57 15 of the documents they say were taken. And they are now alleging to your Honor and in public documents where 12:57:00 16 they were all incredibly valuable and important to them. 12:57:05 17 They should know within them are the trade secrets down 12:57:09 18 12:57:12 19 to the files, to the routines. If they are going to 12:57:16 20 take the position, well, it's all of the documents, they 2.1 should have to live in that, too, is another way to look 12:57:18 12:57:22 22 at it, your Honor. That means they have a burden of 12:57:27 23 proof in every singing one of the million something 12:57:33 24 documents is outside of the general knowledge of the 12:57:36 25 field, was subject to reasonable measures, was actually

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a secret, has commercial value due to it being kept
secret and away from the eyes of its competitors. They
are not going to be able to meet that burden. There are
many, many cases, we've cited some of them where
district courts shut down requests for injunctive relief
or ultimately causes of action for trade secret
misappropriation when that is what the Plaintiff comes
forward with. They stole one million documents, so we
should not have to hit them over the head with an
(inaudible). That is not the way the law works. It's
time now to answer your Honor's question directly. We
think it's late for them to begin to identify this data.

Now, on the volume point, this just goes to

Now, on the volume point, this just goes to supplementation, from our perspective. They felt they had enough to make very, very severe allegations in a public filing in a complaint under Rule 11. They felt they had enough to demand a TRO to seek a preliminary injunction, to send over thousands of key words, to submit declarations from their employees saying where these documents come from, what their names are, what their file paths are. They have enough data. They've had it from the beginning of the case to start to tell us what the trade secrets are. We think we are entitled to, today, your Honor, to know everything they are going

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            to allege to Judge Vilardo that they are aware of.
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            think we are entitled to know everything that they
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            believe is a trade secret that they've identified. And
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            if they think they need to supplement later, they can
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            certainly do so.
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                         So, that was a lot, your Honor. I know
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            there is going to be more responses from opposing
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            counsel that I'll ask for the opportunity to respond to.
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            But, to me, those are the fundamental principles that
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            lead to our request that Moog be compelled to respond to
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            interrogatory one. Maybe give them a week or two, if
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            you feel it's appropriate, but we think the time has
            already passed for a proper response.
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                         MAGISTRATE JUDGE MCCARTHY: All right.
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            Thank you. Ms. Andoh or whoever wants to speak on
            behalf of Moog.
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                         MS. ANDOH: Your Honor, I'm happy to.
            I'll say, I'm about 16 days out from Covid, so I may
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            also have a little bit of a frog.
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                         MAGISTRATE JUDGE MCCARTHY: My apologies to
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            both of you. I'm kind of glad we're by Zoom today.
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                         MS. ANDOH: Absolutely.
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                        MAGISTRATE JUDGE MCCARTHY: No offense.
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                         MR. LUMISH: This is a virulent strain.
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MOOG, INC. VS. SKYRYSE, INC. 1 seems to be getting everybody. 13:00:39 2 MS. ANDOH: It's pretty amazing. So, your 13:00:43 3 Honor, I'm going to start by quoting myself, actually, 13:00:46 4 from the last hearing because we discussed this very 13:00:48 5 13:00:51 issue on the, I guess, or, I guess it was two hearings ago, June 1st. I said specifically to your Honor in 7 13:00:58 13:01:02 response to the same argument, I think as a starting 8 13:01:07 point let's get access to the images from IDS so we can start looking at this stuff and can start getting a more 13:02:18 10 detailed level of description around the files that were 13:02:22 11 taken and the files we assert are trade secret of those 13:02:29 12 13:02:34 13 files when we get a chance to look at the actual evidence that has been turned over. And no one is 13:02:41 14 13:02:47 15 saying that we're going to wait until October 16 to give them an identification of trade secrets. This is to 13:02:50 16 say, your Honor, we've never said -- and I don't 13:02:53 17 13:02:56 understand how many times, we've said this so many times 18 now, your Honor. No one is saying that we're going to 13:03:01 19 20 13:03:04 go into a preliminary injunction hearing with a judge 2.1 without having an identification of trade secrets. 13:03:06 13:03:09 22 has never been Moog's position. 13:03:11 23 MAGISTRATE JUDGE MCCARTHY: No, Ms. Andoh, I 13:03:13 24 know you've never said that. I think the question is, 25 13:03:17 and, you know, it would be foolery to take that

1 MOOG, INC. VS. SKYRYSE, INC. position. You'd lose automatically. You know that; 13:03:20 2 13:03:23 3 13:03:34 4 we've already covered, but, you know, in trying to 13:03:38 5 13:03:44 manage things as best I can within the limits of my 6 7 13:03:47 consistent with Rule 11, it did make reference to 13:03:54 8 13:03:59 aside for a minute the issue of supplementation, 13:04:03 10 13:04:09 11 me that it ought to be able to at least begin to 13:04:13 12 13:04:17 13 what portions of what was taken do constitute trade 13:04:21 14 13:04:27 15 secrets and why. I mean, this isn't a larceny case 13:04:31 16 13:04:35 17 13:04:39 18

everybody knows that. But the issue is, as Mr. Lumish says, and I apologize if we're covering territory that memory. But, when Moog commenced this case, you know various trade secrets having been taken. And putting notwithstanding what I said previously, it does seem to describe to Skyryse and to the individual Defendants where, you know, even if you assume for sake of argument that, and maybe it may well be true that the employees should not have taken what they took, but, again, it's not, it's not a claim that they stole just information. 13:04:44 19 13:04:50 20 The claim in this case, as I understand it, is that they 21 stole valuable trade secrets. To the extent you had in 13:04:54 13:05:01 22 mind or Moog had in mind from the time it commenced this 13:05:05 23 action what those are, I think it should start to 13:05:07 24 identify those in a more detailed level than just by 25 reference to various files or so forth or by saying go 13:05:13

MOOG, INC. VS. SKYRYSE, INC. 1 to the Defendants Kim and Pilkington because they knew 13:05:20 2 what they took. 13:05:24 3 MS. ANDOH: So, your Honor, if I could. 13:05:27 4 MAGISTRATE JUDGE MCCARTHY: Let me just 13:05:28 5 13:05:29 6 finish and then I'll hear from you. The fact that they may know what they took doesn't necessarily mean that 7 13:05:32 13:05:38 that that is what Moog is going to claim to be a trade 8 secret. And that, you know, I cited from that article 13:05:41 9 13:05:44 10 in my e-mail today. That is one of the arguments that I 13:05:49 am currently not overly impressed with. So, back to 11 13:05:54 12 you. 13:05:54 13 MS. ANDOH: So, your Honor, I think, so, to beg your Honor's forgiveness, I'm going to take a couple 13:05:58 14 13:06:01 15 steps back here. I think that one of -- as a starting point, again. There is no dispute that we understand 13:06:04 16 that we need to identify these trade secrets before we 13:06:07 17 get to a preliminary injunction. I will say, just 13:06:10 18 quickly, and from a legal standpoint, that, you know, as 13:06:13 19 20 13:06:16 far as the case law is concerned, the case law is 2.1 consistent with what we're saying is we need to have 13:06:19 13:06:22 22 some access to discovery because we're in a situation 13:06:27 23 where we don't know the full scope of what they've taken 13:06:30 24 nor do we know what they've actually used at this point. And I would point your Honor to the o two cases that we 25 13:06:37

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cited, in particular, to the *IntelliCAD* case and the *Medtech* case, where, in both instances, the judge said we would need to I.D. after expedited discovery and before the preliminary injunction hearing. Now, I also just want to be really clear about what the status of discovery really is and where we are relative to when we filed the complaint. Because, I think, one of the things that is getting glossed over by Skyryse is where we actually are in the discovery process notwithstanding the amount of time that has elapsed since the complaint was filed, what we knew when the complaint was filed and what we know sitting here today.

So, when we filed the complaint, obviously, we ran in to get a TRO because we found out that Misook Kim had taken about 136,000 files, and we knew that in them were files that we knew we would be claiming were trade secrets. We did not know what those files were with specificity because she had deleted the evidence of her download when she took the files. We gave a list of the names of the files and we had explained at the time that one of the issues is that because the actual files that were taken were deleted, we couldn't necessarily confirm the exact contents, but we certainly had an approximation, the best approximation we had and charged

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13:22:04 in the complaint. Mr. Pilkington's theft didn't 2 actually come to light until after the complaint had 13:22:09 3 already been filed. So when you read our original 13:22:11 complaint, you only see Misook Kim's taking as part of 13:22:16 5 13:22:20 this. We actually discovered Mr. Pilkington's taking of stuff, which is the actual 1.2 million files later. 7 Wе 13:22:26 immediately identified that information to opposing 13:22:34 8 counsel as soon as we had it. And, again, you know, we 13:22:37 knew the names of folders that had been taken. 13:22:41 10 11 not have an exact copy of what had been taken because, 13:22:45 again, the whole point of this is he had covered his 13:22:50 12 tracks on the way out the door. What did we know then 13:22:53 13 and what do we know now? So, as best as we understand 13:23:03 14 13:23:07 15 it, and I will say, your Honor, we still do not have access to the images at IDS, and I know this sounds like 13:23:10 16 a broken record, but this has been one of the most 13:23:15 17 frustrating situations that I've ever been involved with 13:23:19 18 in terms of a trade secret case because they keep saying 13:23:23 19 13:23:28 20 that they've turned over all of this discovery, but it 2.1 doesn't matter if I can't access it. They turned over 13:23:33 all of this stuff to IDS. It doesn't mean that I 13:26:55 22 13:26:58 23 actually have access to it. Right? We need to be given 13:27:02 24 access through IDS. There have been a number of delays. 25 There have been a number of technical issues. As I sit 13:27:07

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here today, I believe Skyryse turned over seven or eight 13:27:13 2 images, computer images to IDS. We have unfettered 13:27:17 3 access, I believe, to only one of them at this point. 13:27:21 4 So, as far as being able and as far as the 23 devices 13:27:24 5 13:27:29 that the individuals turned over, we still have limited 6 access to most of them. So, there are 30 or 31 images 7 13:27:32 that were turned over to IDS by Defendants, and we don't 13:27:36 8 have access to the vast majority of them. And we still 13:27:42 don't have access to confirm whether there is a complete 13:27:46 10 copy of everything that was taken by the Defendants 13:27:52 11 there for us to go through. So, now we're talking about 13:27:54 12 approximations. And I understand that that may be what 13:27:58 13 we may have to do for the time being in order to get 13:28:03 14 13:28:09 15 through this. But, I really don't want to underestimate the volume. I feel like every time we have this 13:28:15 16 discussion, I get told that, you know, that the burden 13:28:18 17 is massive on Skyryse's part, but somehow or another 13:28:20 18 there is no way that we're going to find 1.2 million 13:28:23 19 20 13:28:34 trade secrets. So, I think it bears explaining briefly 2.1 what it is that we understand has actually been taken. 13:28:42 13:28:47 22 There are on the order of about 20 something different, 13:28:50 23 I'm going to call them classifications of materials, 13:28:53 24 that were taken by the two Defendants. In calling them 13:28:56 25 classifications, and, honestly, your Honor, it might be

MOOG, INC. VS. SKYRYSE, INC. 1 easier to call them buckets. Some of those buckets are 13:29:01 2 projects, meaning files, for a specific project or a 13:29:05 3 specific employer such as the U.S. Military. Some of 13:29:13 4 them are a type of document or a classification of 13:29:52 5 documents that sort of, for lack of a better 13:29:57 7 description, your Honor, is sort of a library that you 13:30:00 13:30:03 use when you're working on specific projects. But, it 8 is not a "hard drive dump," which is what Mr. Lumish 13:30:06 just described it as. It's actually a very well 13:30:13 10 tailored and expansive library of all of the materials 13:30:16 11 that Moog uses when it's completing these projects for 13:30:21 12 these customers. 13:30:25 13 As far as I understand it, all of the stuff 13:30:28 14 13:30:31 15 that was taken falls into one of these 20 something buckets. And we, you know, we have done everything that 13:30:34 16 we can to try and identify with as much specificity as 13:30:38 17 possible what these buckets are, what the types of 13:30:42 18 materials that existed in them are, and the information 13:30:45 19 20 13:30:47 that we had. The problem that we're coming up against 21 now, your Honor, because of the volume involved in this, 13:30:51

is. But now we're talking about other types of

because we're talking, again, about 1.4 million

documents. And it's one thing to say, you know, go line

by line through code and identify which lines of code it

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documents that we need to go through to figure out in 2 order for us to say what are our trade secrets. And we 3 really don't think it's appropriate for us to have to go 4 through this process multiple times. If we go through 5 it now, based on what we've approximated or what we 6 think we might be able to approximate from our own data 7 what was taken, it's inevitably going to have to be done 8 again once we get access to IDS's images, and we can go 9 through and actually comport what was actually taken. 10 And, again, you know, he said -- Mr. Lumish said 11 something to the effect of, I'm going to have to prove, 12 13 I have a burden of proof on the 1.4 million documents. That's not true. The misappropriation claims are that 14 15 they misappropriated information and they used it. I can identify trade secrets that are protectable that 16 were used and properly protected, then I succeed on my 17 I don't have to necessarily win on all 1.4 18 claim. million files. But, having said all of that and getting 19 20 back to the immediate issue, we are actually almost not 21 further along than when we filed the complaint in terms 22 of having access to the images that contained the 23 materials that were taken. To give an example, your 24 Honor, one of the hard drives that Skyryse turned over 25 is 568 partial images. And I call them that just

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because they are really documents. And they apparently 13:33:19 2 represent the hits that were, that were -- the documents 13:33:22 3 that hit on the search terms that we provided them that 13:33:27 we said would be most likely be indicative based on our 13:33:30 5 13:33:34 educated guess of material that was our non-public information in their possession, custody and control. 7 Ι 13:33:39 don't have access to that. I still can't even look at 13:35:46 8 that to figure out whether we're actually claiming that 13:35:49 any of those 568 documents that we're going to argue are 13:35:52 10 among the trade secrets that were used. And that is 13:35:59 11 13:36:02 12 just one of the seven or eight images that is there. Ι 13:36:08 13 mean, the other critical computers that we don't have access to yet, we don't have access to Mr. Pilkington's 13:36:11 14 13:36:16 15 Skyryse-issued computer. We don't have access to Ms. Kim's Skyryse-issued computer yet. So, you know, I 13:36:20 16 think, your Honor, in our minds, at least initially, and 13:36:27 17 certainly based on the case law that we saw, I mean, 13:36:31 18 we've always said, and I think going back to several 13:36:33 19 13:36:36 20 hearings back, your Honor, when you asked us, did we 21 intend to modify the relief we were seeking and did we 13:36:39 13:36:43 22 intend to do anything in terms of modifying the motion 13:36:46 23 for preliminary injunction, and I believe I answered at 13:36:48 24 the time that we always knew that discovery was going to 13:36:51 25 influence the way in which these things were going to be

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sought, ultimately. We know that -- not only do we know 13:36:55 2 more now than we did when the complaint was filed, the 13:36:58 3 structure of the case has changed dramatically since the 13:37:02 4 time we filed the case. We found out there was an 13:37:06 5 13:37:09 6 additional 1.2 million files taken. Four employees that we're aware of have been terminated from Skyryse in 7 13:37:14 connection of this case. Two of whom are not named 13:37:18 8 individual Defendants, but at least one of whom appears 13:37:22 to have had our non-public information on his device at 13:37:26 10 least according to disclosures that we've gotten from 13:37:31 11 Skyryse. And so, you know, we're not even sure, because 13:37:36 12 13:37:40 13 we still can't get confirmation from Skyryse whether the 13:37:45 only theft that we're going to be identifying in the 14 13:37:48 15 course of our discovery are Pilkington and Kim or whether there are additional pieces of information that 13:37:53 16 we need to deal with. Again, your Honor, I'm not 13:37:57 17 suggesting that this should be an endless process, but I 13:37:59 18 am suggesting that we should, at a minimum, be given 13:38:02 19 13:38:05 20 sufficient time, once we have access to the actual 2.1 materials that were taken, so that we can go through 13:38:08 13:38:11 22 them and provide this itemized list that Mr. Lumish is 13:38:16 23 asking for. To say we should go in now and try and give 13:38:20 24 him -- it seems incredibly impractical and burdensome to 25 force us to go through this procedure multiple times 13:38:26

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just so that they can get some kind of a response to 13:38:30 2 their interrogatory now that we're then going to have to 13:38:35 3 continue to modify four or five or six times as we 13:38:38 4 continue to get access to these files and we continue to 13:38:41 5 13:38:44 6 identify these lists. So, I think our original proposal 7 would have been to say, when we renew our motion for 13:38:48 preliminary injunction, which we're going to do at the 13:38:56 8 close of fact discovery, that, at that point in time, we 13:39:00 include the full identification of trade secrets so that 13:39:06 10 they have plenty of time to oppose that identity of 13:39:09 11 trade secrets in their motion and that they have plenty 13:39:15 12 of opportunity to prepare for the hearing before Judge 13:39:29 13 Vilardo, and so that the entire briefing before Judge 13:41:13 14 13:41:17 15 Vilardo is consistent with what we're actually claiming for purposes of the preliminary injunction hearing. 13:41:19 16 think that, again, no one is saying that we're not going 13:41:23 17 to do it. And, your Honor, we also, I almost feel 13:41:25 18 sheepish saying this, but, you know, this is not because 13:41:29 19 20 13:41:32 of a lack of effort on our part or because of lack of 21 organization or because, you know, we're hiding the ball 13:41:35 13:41:37 22 or intentionally trying to put them at a disadvantage in 13:41:40 23 the discovery process. The whole reason we asked for 13:41:43 24 expedited discovery in the first place is so that we 25 could perform this identification before we got to the 13:41:49

MOOG, INC. VS. SKYRYSE, INC. 1 preliminary injunction hearing. So, it is really only 13:41:54 2 -- for us to be able to handle this in a way approaching 13:42:00 3 efficiency given the volume and given the challenges and 13:42:05 4 issues here. I think the appropriate thing to do 13:50:00 5 13:50:06 continues to be to allow us to have sufficient time with 7 access to these images so that we can compile a 13:50:09 13:50:13 comprehensive list of what, A, what was taken, and, B, 8 what was taken that we claim to be trade secrets, and, 13:50:18 C, sufficient detail around those specific trade secrets 13:50:23 10 that we're claiming so that we satisfy Judge Vilardo's 13:50:28 11 requirements. And that is what we've said from day one 13:50:32 12 13:50:36 13 and it continues to be what we're saying now. 13:50:39 14 MR. LUMISH: May I respond briefly, your Honor? 13:50:40 15 MAGISTRATE JUDGE MCCARTHY: Well, you may in 13:50:40 16 a minute. Well, let me hear from counsel for the 13:50:41 17 individual Defendants, if they wish to add anything. 13:50:47 18 MR. GREEN: Yes, your Honor, I would. 13:50:54 19 13:50:56 20 I'd echo most of Mr. Lumish's points. I don't see why 21 it's a problem to tell us what they know now. I mean, 13:51:03 13:51:07 22 this is all just putting everything off farther and 13:51:10 23 farther. I mean, for instance, if we know at least now 13:51:15 24 what they are saying are the trade secrets that are misappropriated, we can begin the process of determining 13:51:18 25

MOOG, INC. VS. SKYRYSE, INC. 1 what is relevant that Moog still hasn't produced and 13:51:21 2 that will help us with discovery disputes and this is 13:51:25 3 just going to continue pushing off this hearing. And 13:51:30 the idea that we should have depositions without knowing 13:51:37 5 what the trade secrets are is just beyond the pale. 13:51:41 don't think it should be. I don't see the problem with 7 13:51:47 telling us what you know now and just continuing to add 13:51:51 8 to it. That is a normal practice in discovery. 13:51:54 it's not unreasonable at this point. And I also, just 13:51:59 10 minor point, but we haven't, Moog has access to the 13:52:02 11 great majority of our devices. In fact, 19 of 23. 13:52:08 12 13:52:13 13 while there are still some disputes about a couple of them, they do have access. I don't know with respect to 13:52:16 14 13:52:21 15 Skyryse's devices, I haven't necessarily been involved as intimately with that. But, I think we can begin the 13:52:27 16 process now of identifying trade secrets and doing the 13:52:31 17 13:52:35 best we can at being efficient in discovery. And with 18 13:52:41 19 that, I'll -- those are my comments, your Honor. 13:52:46 20 MAGISTRATE JUDGE MCCARTHY: All right. 21 Thank you. 13:52:47 13:52:50 22 MR. LUMISH: Your Honor, I'll be brief. 13:52:52 23 MAGISTRATE JUDGE MCCARTHY: Yeah, go ahead. 13:52:54 24 MR. LUMISH: Ms. Andoh's main premise to the 25 Court was she needs discovery before she can tell us 13:52:57

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what the trade secrets are. And it's really what you heard and that discovery is hard and there is lots of discovery and image problems and things like that. But, that has got the whole thing backwards. Many, many courts will not even permit discovery until there is an identification of the trade secrets. And the reason for that is because what the trade secret Plaintiff can do is go root around in the incredibly sensitive and proprietary discovery that Skyryse has given here and others have given and then make it up. I'm not saying it is happening, but that is why it's organized that way. They can just make it up and say, oh, we found this really cool thing in their source code and we do that and so we'll just say that is our trade secret, or even if we don't do it. The notion of hindsight in trade secret cases is an extremely dangerous one and it's exactly why Plaintiffs have to identify their trade secrets before they get discovery.

Now, of course, in this case, it's not the way it's been organized because of the way things started. They have the discovery, they don't need the discovery to tell us what the trade secrets are. This may be the bigger point in the 1.1 million files or 1,136,000 files that they say were taken, they have

MOOG, INC. VS. SKYRYSE, INC.

those files. They identified them. They know the file 13:54:29 2 names, they have possession of them. They've had them 13:54:31 3 for months. They have had every chance to review them 13:54:35 and think about them and talk about them and analyze 13:54:38 5 13:54:41 6 them and scrutinize them and tell us what trade secrets are in them. In discovery, they probably are not going 7 13:54:45 to get anything beyond those 1.2 million files because 13:54:48 8 that is what they know is taken. I'm not aware of 13:54:52 anything else. Maybe they will find something else and 13:54:57 10 they can supplement, maybe they won't. But the notion 13:55:00 11 they need discovery, they need us to produce back to 13:55:15 12 13:55:19 13 them the 1.1 million files from Mr. Pilkington or the 136,000 files from Ms. Kim so they can start to review 13:55:22 14 13:55:27 15 them makes no sense at all. They have them. Andoh said they deleted or Mr. Pilkington deleted or Ms. 13:55:30 16 Kim has deleted. Well, let's accept that at face value 13:55:34 17 for the sake of the argument without me acknowledging or 13:55:38 18 waiving our objection to it. If that were true, it 13:55:42 19 13:55:45 20 still wouldn't matter, because they have those files on 2.1 their own servers. If they are deleted means I don't 13:55:48 13:55:52 22 have them at all, but they have them, and they should be 13:55:55 23 the ones to look at their files and the path names that 13:55:59 24 they've identified in the directories and repositories 25 that they've called out and said equate to 1.2 million 13:56:03

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13:56:08 2 files and tell us what the trade secrets are in those.

They simply don't need discovery in that. I'm not saying they don't need discovery and I'm not saying they are not entitled to supplemental discovery if something identifies itself as new. But the vast case, the majority of what they are arguing is about files they have identified to us as being taken by file name. So they don't need discovery to tell us which files in those, plain and simple. And the notion that they shouldn't be obliged to tell us what the trade secrets are until they spend months of discovery is completely backwards than any other trade secret case I've been involved in. That is point one.

And the rest I'll be quick, which is what you didn't hear from Ms. Andoh is any denial that they don't know what the alleged trade secrets are. She told you that 20 buckets and they are working on categories. Categories and buckets are not trade secrets. But there is nothing in their response to interrogatory one at all. So they know something now from the 1.1 and 136,000 files that they are going to say are trade secrets. They should tell us today what those are. There is simply no reason to wait. And back to what Mr. Green said, we can't wait for briefing on this or two

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weeks before the hearing for this. They want to start taking depositions soon and we need to know so we can take depositions of their people about reasonable measures and possession and whether these things have value and our witnesses need to know what they are being accused of taking so they have some response to do we even have that, especially on the Skyryse front. They have to show use, not just by the individual Defendants, your Honor, they have to show use by Skyryse. a mental state requirement in the DTSA and trade secret law, generally, that if you're accusing somebody of getting the trade secrets from an intermediary, which would be here the allegation that Mr. Pilkington and Ms. Kim gave it to Skyryse, you still have to show that Skyryse had some mental culpability, that they knew or should have known that they had information coming in from somebody in a way that it shouldn't. They have to tie all that stuff together and they can't do that without telling us what the trade secrets are. And we can't defend ourselves unless we know what the trade secrets are.

The IDS point, all of the problems in IDS.

Let's remind the Court, it's their protocol. They

insisted on this process. And, again, it is not one

1 MOOG, INC. VS. SKYRYSE, INC. that is a predicate to giving an answer to the files 13:59:51 2 that sit on their own systems today. They told us the 13:59:55 3 files that the trade secrets can be found in nine 13:59:59 devices, they produced that, Moog gave to IDS. 14:00:02 5 14:00:07 have those nine devices. They have the files. 7 should tell us what they are, what is trade secret 14:00:12 14:00:15 8 information in them and separate that from the general 14:00:17 knowledge. So, I think those are my major points. last thing I would say, we need to test all of this in 14:00:22 10 14:00:25 discovery. We can't wait for the hearing and be blind 11 14:00:31 12 sided by it. We now have an acknowledgement that they 14:00:36 13 are not going to say -- they are going to tell Judge Vilardo something different from what they've told us, 14:00:39 14 14:00:41 15 and so we need to get that information as soon as possible. And I've not heard an answer from Ms. Andoh 14:00:44 16 why they can't do it today on the information that they 14:00:48 17 14:00:52 18 have. What I've heard is, well, we want to do it all at once after we do a whole bunch of discovery. There is 14:00:58 19 20 14:01:02 no need for that. As Mr. Green says, you can supplement 2.1 later. 14:01:07 14:01:08 22 MS. ANDOH: Your Honor, if I may. 14:01:09 23 MAGISTRATE JUDGE MCCARTHY: Ms. Andoh, just 14:01:11 24 a second, and I will hear from you again. If I can jump

in for a couple seconds. As I heard everybody say, I

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think Moog agrees that in order to make a presentation to Judge Vilardo about what they claim is a wrongfully appropriated trade secret, they are first going to have to have identified that to the Defendants in the same level of detail that they will be presenting to Judge Vilardo. And they are also going to have to have given the Defendants the opportunity to take -- to prepare adequately once that level of specific disclosure has been made, otherwise, I mean, if I were Judge Vilardo, and it may surprise you, but, I'm not, I think he would do one of two things. He would either deny their request outright because they hadn't given adequate discovery or he would put the hearing on hold until such discovery and/or opportunity to prepare has been given.

One of the things that Ms. Andoh said that does give me pause is the notion of efficiency in terms of, and I guess I would be particularly concerned, if you get into depositions based on disclosures of certain trade secrets that have been disclosed, for example, and then there is a supplementation, and then you have to go back and perhaps do the same depositions over again or take new depositions on that new information, that doesn't strike me as -- as the most efficient way to proceed. On the other hand, we can't wait forever. So

MOOG, INC. VS. SKYRYSE, INC. 1 what would be the problem with just saying, all right, 14:03:13 2 I'm going to put things on hold. And, by the way, I 14:03:16 3 think you all know, I mean, the Court has considerable 14:03:20 4 discretion in terms of how it sequences discovery and so 14:03:23 5 forth, but, what if I were to say, well, we're going to 14:03:27 put everything on hold until, until Moog has had the 7 14:03:32 14:03:38 8 opportunity to access the information that it can't currently access, and then it can make in one fell swoop 14:03:42 9 its disclosures about trade secrets, and then the 14:03:47 10 Defendants can take discovery on that and prepare 14:03:50 11 themselves adequately. It might result in -- well, it 14:03:54 12 14:04:00 13 seems right now that things may be delayed beyond 14:04:04 October anyway, but it might result in a lengthier 14 14:04:09 15 delay, but what would be the problem with proceeding in 14:04:13 16 that way. MS. ANDOH: Well, certainly from my 14:04:13 17 18 perspective --14:04:15 MAGISTRATE JUDGE MCCARTHY: One at a time. 14:04:16 19 14:04:17 20 MR. LUMISH: I assumed you were talking to 2.1 14:04:18 me. 14:04:19 22 MAGISTRATE JUDGE MCCARTHY: Yeah. Let me 14:04:20 23 hear from you first, and then I'll hear from Ms. Andoh 14:04:25 24 and Mr. Green. 25 MR. LUMISH: I apologize for interrupting 14:04:25

1 MOOG, INC. VS. SKYRYSE, INC. Ms. Andoh. 14:04:27 2 MAGISTRATE JUDGE MCCARTHY: That's okay. 14:04:28 3 The problem, your Honor, is a 14:04:29 4 MR. LUMISH: particular issue, which is the hindsight point that I 14:04:34 5 14:04:40 6 made before. The concern is, the main concern I would 7 have from that process is that it does allow them to do 14:04:44 14:04:48 exactly what -- I could send you a supplemental brief, 8 if you want a dozen cases on this point, that says it's 14:04:52 inappropriate to let a Plaintiff root around in the 14:04:55 10 14:04:58 discovery and the secret sauce of a competitor and then 11 14:05:03 12 in hindsight say, oh, there is my trade secret, because it allows for misconduct on that front. That is why 14:05:07 13 most courts sequence it the other way. And I get this 14:05:10 14 14:05:14 15 case started differently. But most courts will start the other way. And in California, we actually have a 14:05:17 16 statute that compels it. Because its codified this 14:05:20 17 14:05:24 18 notion that you can't, as a trade secret, Plaintiff, 14:05:27 19 come in after the fact and say, oh, I found my trade 20 14:05:31 secret and I'll just sort of attribute it to this thing 21 in the discovery. You have to say up front what it is 14:05:34 14:05:37 22 and then see if it's been misappropriated. That is my 14:05:40 23 main concern. Logistically what your Honor said makes 14:05:46 24 sense. And, efficiency, we don't want to take

depositions either of witnesses and then have to take

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MOOG, INC. VS. SKYRYSE, INC. 1 them again because they changed their list of trade 14:05:57 2 secrets after the fact. So, we get that point. 14:06:01 3 do think there needs to be a trade secret identification 14:06:03 They should have known under Rule 11. They should 14:06:06 5 14:06:10 have known in light of their papers that they filed. They should have known a substantial chunk of these 7 14:06:12 14:06:15 8 trade secrets already. We want them to have to put that 14:06:18 marker on the chess board, your Honor, because, otherwise, it gives them full unfettered access to do 14:06:20 10 14:06:25 11 the hindsight thing that I think is a real problem. 12 MS. ANDOH: Your Honor --14:06:27 14:06:27 13 MAGISTRATE JUDGE MCCARTHY: Ms. Andoh, just a second, I'll hear from you. 14:06:29 14 14:06:30 15 Mr. Green, anything you want to add in that regard or no or just ditto. 14:06:32 16 17 MR. GREEN: Well, mostly ditto. I think Mr. 14:06:35 Lumish is correct, that we do need -- it's only right, 14:06:41 18 they made these allegations, they are serious 14:06:48 19 20 14:06:51 allegations, it's only right that we know what they are 2.1 claiming are the trade secrets now, and we should have 14:06:55 the opportunity to really organize our discovery 14:06:58 22 14:07:01 23 strategy and litigation strategy right now. And we 14:07:05 24 can't do that while the ball is continuing to be hidden. 25 14:07:09 MAGISTRATE JUDGE MCCARTHY: All right. Ms.

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MS. ANDOH: So, your Honor, I'm a little, I'm on two line here about how to proceed because there were a substantial number of misrepresentations that occurred since the last time that I spoke, and I'm not exactly sure how much of this I really feel I need to correct right now on the record. But, suffice it to say, I don't believe Mr. Lumish and Mr. Green's representations with respect to either the access we currently have at IDS or with respect to what our burden of proof is in the case or the disposition of the case between when it was filed and what it is now, we disagree. I will say this, your Honor, that I will specifically address Mr. Green's assertion that we have access to 19 of the 23 devices, and that is actually not correct. IDS has informed us that, even though the devices have been uploaded, a lot of them are missing segments. And what that means is we can't actually open them, and they are completely unusable as they currently stand right now. We're trying to resolve the issue with IDS, but there is no timeline right now for resolution. So, your Honor, I mean, again, I mean, I guess if you want us to put in a supplemental report from IDS, we can do that. But the point is that the vast majority of

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images that have been uploaded, even those that have supposedly been made accessible to us, we can't access them and we can't read them.

I think you know, certainly with respect to Mr. Lumish's assertion that this would allow us to root around in order to backward engineer a trade secret, that's not -- that's not something that I believe your Honor should take a lot of credence in. We're very clear about what the fact pattern is that led up to this. We're saying our stuff was taken. We're either going to be able to prove that it's ours or not. Right now what we need to do is go in and go look at exactly what it was that was taken and compare it. I know that this is something that keeps coming up again and again, but just because we know the file names doesn't mean that we know what was taken.

Your Honor, in a lot of instances these documents continue to evolve. It's not like our company was frozen in time while Mr. Pilkington and Ms. Kim took these files. A lot of these documents are living documents and they continue to be updated and they continue to be modified as time goes on. So, even though we may know generally what a document name was, we don't necessarily have the ability to go back in time

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MOOG, INC. VS. SKYRYSE, INC. 1 and know what was taken at the time it was taken. That 14:28:22 2 is an oversimplification. And with respect to Mr. 14:28:25 3 Pilkington's files, again, we have different information 14:28:33 4 with respect to Mr. Pilkington and with Ms. Kim. 14:28:37 5 14:28:42 Kim, we know the file names. With Mr. Pilkington, we 6 7 know the folder names, not the file names. So, we 14:28:45 actually have -- we're at a slightly different situation 14:28:48 8 with Mr. Pilkington. We actually have a little bit less 14:28:52 9 information about what he took, and it's the larger 14:28:56 10 take. Ultimately, your Honor, I think that your 14:29:02 11 solution is the right one. I think that if we're able, 14:29:04 12 14:29:07 13 a lot of this fighting has been that we were supposed to have full access to these images six weeks ago and we 14:29:11 14 14:29:14 15 still don't have access to most of them. We would have, in all likelihood, been able to tell your Honor that we 14:29:16 16 were in a position to make an identification if we 14:29:23 17 actually had access to the images in the time frame we 14:30:17 18 14:30:21 19 were supposed to get them. And, again, I'm not here to 20 14:30:26 cast aspersions, your Honor. I'm just here, your Honor, 21 to try and find a path forward here that gives us the 14:30:29 14:30:34 22 discovery that Mr. Lumish claims he provided, because, 14:30:38 23 again, he may have produced it, but we haven't received 14:30:44 24 it because of the way the structure has been put

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together with IDS.

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And I will also just say, because I feel the 14:30:47 2 need to correct the record here, that the procedure with 14:30:50 3 IDS that is in place was actually, it's Skyryse's review 14:30:53 4 protocol, which they requested and asked for, and your 14:30:59 5 Honor permitted them to do, and the privilege decision 14:31:02 6 process, meaning the process of pulling the privileged 7 14:31:11 documents out of the computer that has been causing this 14:31:20 8 delay. So, this is not something that was a product of 14:31:24 the original protocol that was ordered by your Honor. 14:31:31 10 This is a result of the privilege review that we're 11 14:31:33 having so many issues of being able to get these devices 14:31:35 12 available online for review. So I just sort of come 14:31:39 13 back to the same point that I keep making, which is to 14:31:43 14 14:31:46 15 say that I think it's entirely reasonable that we should have a period of time, maybe it's four weeks or six 14:31:49 16 weeks after we have access to all of these images, where 14:31:52 17 we have an opportunity to compile a list so we give it 14:31:56 18 over once and then everybody can continue discovery with 14:32:00 19 14:32:04 20 respect to that. I will also say, your Honor, with 21 14:32:06 respect to the case law and the issue of, you know, 14:32:08 22 what's appropriate and what's not appropriate, we've 14:32:13 23 cited to a plethora of cases where just this type of 14:32:18 24 discovery was contemplated and approved by the Court. In a number of cases that were cited by Skyryse involved 25 14:32:23

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a number of cases where the Court shut down discovery 2 after months, many more months, years, in some cases, of 3 discovery than we are here or where the allegations are 4 very, very different. And I will also point out, your 5 Honor, that in the cases that were cited by both 7 parties, the parties refer to hundreds of thousands of 8 trade secrets. Here we're talking about over one million. And I know that Skyryse is sick of hearing us talk about how many files were taken, but the volume 10 here is actually extraordinary. This is not a 11 12 run-of-the-mill case. This is not a normal 13 circumstance. This is a circumstance in which a large volume of files was taken and there are active steps 14 15 taken to cover the steps of the files that were taken and the files have, at least hypothetically, as far as 16 we know, again, one of the things we keep wondering why 17 I can't get confirmation from any of the Defendants as 18 to whether or not the actual copied materials were 19 20 produced in their entirety to IDS or not because that 2.1 leaves us in this position where we have to go through 22 and review all of these images because we don't know if 23 there is one particular image that contains the 24 materials that were taken or not. So, some of this delay is also on Defendants because they have not 25

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2 identified what it is that is on the devices that have 3 been produced over to IDS with any specificity.

Ultimately, your Honor, I think you, know notwithstanding the fact that I've kind of gone on a little bit of a diatribe here, we're in 100 percent agreement with your Honor to the extent that we are entirely committing to giving an identification of trade secrets if we are just given the access we've been trying to get for four months now to these images at IDS and we get a reasonable amount of time to review them so that we can compile a list that is actually going to be meaningful. And I'll also say, in response to their suggestion that we continue to update or we continue to supplement, if we have to continue to supplement with given the volume that is involved here, we're talking about potentially hundreds of thousands of individual identifications. If we have to continue to do this over and over again, it's going to become a full-time job for us to just supplement. It makes infinite sense what your Honor is proposing that if they are to have an identification of trade secrets prior to depositions commencing, that we do this once we turn it over to them and then depositions commence.

MAGISTRATE JUDGE MCCARTHY: Now, let me ask,

MOOG, INC. VS. SKYRYSE, INC. 1 and maybe I need to hear from somebody at IDS, but do 14:35:48 2 you have any idea, does anybody have any idea as to when 14:35:52 3 the log jam with them is going to be broken? 14:35:56 4 MR. LUMISH: Your Honor, let me defer to one 14:35:59 5 of my colleagues, if I might. I want to raise another 14:36:01 6 7 issue that goes to that. Ms. Andoh said something very, 14:36:04 very concerning, which is they have not been preserving, 14:36:07 8 according to what I heard, the documents that they claim 14:36:11 was sent to us or stolen, allegedly, by the individuals. 14:36:14 10 I think what I just heard, these are living documents 14:36:17 11 14:36:20 12 that are changing, and so she needs to see what is on IDS in order to know what is in them. Presumably, 14:36:23 13 before they sued, they would have done what any 14:36:28 14 14:36:31 15 Plaintiff has to do when they know a lawsuit is eminent, which is put a document hold in place. They should have 14:36:35 16 these documents already. I resist the notion, if that 14:36:38 17 is not true, they have a spoliation problem. If it is 14:36:40 18 14:36:44 19 true, they shouldn't need this discovery. 20 14:36:47 Let me defer to Mr. Zahoory. 21 MS. ANDOH: Your Honor, I have to respond to 14:36:50 14:36:52 22 that, I'm sorry. 14:36:53 23 MAGISTRATE JUDGE MCCARTHY: Time. Hold it. 14:36:55 24 Let I hear from Mr. Zahoory. Ms. Andoh, you got upset about that, so I will hear from you briefly, then I'll 14:37:00 25

MOOG, INC. VS. SKYRYSE, INC. 1 hear from Mr. Zahoory. 14:37:03 2 MS. ANDOH: Your Honor, Mr. Lumish may have 14:37:05 3 forgotten this, but we actually provided an 14:37:08 4 identification to them that the materials that were on 14:37:10 5 Mr. Pilkington's computer, which is the best 14:37:14 6 approximation we have of the materials that were in 7 14:37:16 14:37:19 8 existence at the time that he did his downloads, have all been produced on his laptop to IDS. And I believe 14:37:23 9 we actually responded to that in discovery. So there is 14:37:27 10 no credible allegation that we somehow or another failed 14:37:30 11 to preserve the materials. And, clearly, your Honor, 14:37:40 12 14:37:43 13 this seems like the type of thing where your Honor, unfortunately, is going to be hearing more about this 14:37:48 14 14:37:51 15 going forward, but, again, that is not an issue. preservation is there. 14:37:53 16 14:37:55 17 MAGISTRATE JUDGE MCCARTHY: All right. 18 Thank you. 14:37:55 14:37:56 19 Mr. Zahoory, can you speak to the IDS issue 14:38:00 20 at all. 21 MR. ZAHOORY: Your Honor, thank you very 14:38:00 14:38:02 22 I can speak to it at a high level. And what I 14:38:06 23 can confirm for you is that Skyryse has taken 14:38:09 24 considerable steps to complete the privilege review of the devices that we sent to IDS, and that we confirmed 25 14:38:12

1 MOOG, INC. VS. SKYRYSE, INC. that those privilege reviews were complete within the 14:38:15 2 deadlines that were set by the Court. IDS has had 14:38:18 3 logistical issues on their end with identifying the 14:38:22 files, excising the files. You know, we've worked very, 14:38:26 5 14:38:30 very hard with IDS to help them identify basically less 6 than 100 files and excise them from those devices so 7 14:38:34 14:38:40 8 they can be available to Plaintiff Moog. And, unfortunately, IDS has hit roadblock after roadblock. 14:38:45 And it seems as though those roadblocks s are within 14:38:50 10 11 IDS's own systems. But the key thing to point out is 14:39:00 that Skyryse met its court-imposed deadlines. We hit 14:39:07 12 14:39:10 13 those deadlines of when those privilege reviews were 14:39:15 supposed to be complete. And then the log jams have 14 14:39:20 15 been potentially because the systems that IDS uses can't read or can't identify the specific metadata in order to 14:39:25 16 excise them from the devices. 14:39:32 17 MAGISTRATE JUDGE MCCARTHY: 14:39:37 18 All right. Well, I guess what I need to know, if it's knowable, is 14:39:38 19 14:39:46 20 are we talking about, you know, something that may be 2.1 resolved within the next month or two or is this an 14:39:49 14:39:56 22 indefinite log jam. 14:39:57 23 MS. ANDOH: Your Honor, if I might. I would 14:39:59 24 ask my colleague, Ms. Yip, to provide her perspective 25 because she has been overseeing this process from the 14:40:05

MOOG, INC. VS. SKYRYSE, INC. 1 Plaintiff's side. 14:40:09 2 MAGISTRATE JUDGE MCCARTHY: Okay, Ms. Yip. 14:40:09 3 MS. YIP: Yeah, so I don't know whether 14:40:16 4 whether or not what the timeline would be for IDS to 14:40:18 5 14:40:21 6 address these issues. I know IDS has been working on an ex parte basis with Skyryse's counsel to try and work 7 14:40:25 out these issues. I don't have a sense of the timeline. 14:40:29 8 So, if Mr. Zahoory knows the timeline for IDS to may be 14:40:33 able to get the excision done, I would welcome him to 14:40:39 10 14:40:43 11 jump in on that. But we don't know. I actually 12 14:40:46 followed up with IDS on that the timeline of the 14:40:50 13 excision and I haven't received a response on that. MR. ZAHOORY: Your Honor, without putting a 14:40:54 14 14:40:57 15 firm date down, saying a month should be enough time. It should be considerably less than a month. We've hit 14:41:01 16 our deadlines. We've been working really hard with IDS. 14:41:09 17 Our feeling is that it's at the last stages of this that 14:41:17 18 IDS should be able to excise this, and, if not, it 14:41:21 19 14:41:24 20 should already be done as of today. So a month is 2.1 significantly longer. It would be significantly less 14:41:27 than that. 14:41:30 22 14:41:32 23 MAGISTRATE JUDGE MCCARTHY: Okay. 14:41:34 24 MS. ANDOH: Well, your Honor, I will say 25 this, though, there is also an excision problem with the 14:41:35

MOOG, INC. VS. SKYRYSE, INC. 1 individual Defendants, and so, you know, I just want to 14:41:38 2 make sure that we're all on the same page about the fact 14:41:41 3 that even if Skyryse's devices are resolved, that there 14:41:44 4 is a volume issue, your Honor, I think is what I'm 14:41:49 5 trying to say. But I do think it's a matter of a month 14:41:51 6 7 or weeks as opposed to sort of an indefinite set of 14:41:55 14:42:00 8 issues. I think that the vast majority of these devices, it's just a back log. 14:42:03 9 MAGISTRATE JUDGE MCCARTHY: And, so, let me 14:42:07 10 11 see if I understand you correctly, I hope I do. 14:42:09 14:42:12 12 once all of those log jam issues are resolved, then you 14:42:20 13 would be in a position to start making -- to make your, within some period of time, make your global 14:42:25 14 14:42:31 15 identification of what trade secrets you claim are at issue in this case, is that right? 14:42:35 16 17 MS. ANDOH: That's right, your Honor. 14:42:37 Certainly at least for purposes of the preliminary 18 14:42:38 injunction. I just want to be really clear, we're in an 14:42:41 19 14:42:44 20 expedited discovery for purposes of the preliminary 21 injunction. The answer is, we would make a universal 14:42:55 14:43:01 22 identification that would be the scope of what we would 14:43:04 23 be seeking to prove for purposes of the preliminary 14:43:08 24 injunction. I just want to be careful about that, your 25 14:43:10 Honor, because, obviously, we have other claims in the

MOOG, INC. VS. SKYRYSE, INC. 1 case that we're not conducting any discovery on right 14:43:12 2 now because they are not part of the basis for the 14:43:18 3 preliminary injunction. For example, unfair 14:43:22 4 competition. Obviously, once the preliminary injunction 14:43:28 5 14:43:30 process is over, there is going to be more expansive 6 discovery. We would obviously reserve the right to be 7 14:43:33 14:43:35 8 able to expand our list of trade secrets if we go through a second round of discovery and identify 14:43:46 9 additional ones. But we would be comfortable with being 14:43:51 10 bound for purposes of the PI hearing with whatever input 14:43:57 11 we provided following reasonable examination once we 14:44:03 12 14:44:10 13 identify what IDS has. MR. LUMISH: I'll just repeat my objection 14:44:16 14 14:44:18 15 to all of that, your Honor. It's just a recipe for them to use hindsight in the way that the cases just don't 14:44:21 16 permit. Your Honor has heard me on that, I won't keep 14:44:25 17 14:44:27 18 repeating that. MAGISTRATE JUDGE MCCARTHY: Yes, I've heard 14:44:28 19 14:44:29 20 you, and I know it's in your papers somewhere. And this 21 may be shocking to you, but you've all submitted a 14:44:33 14:44:38 22 rather large volume of papers, so I'm doing my best to, 14:44:42 23 and I don't fault you for that, I recognize it's 14:44:44 24 necessary, but if you could both, and, Mr. Lumish, if

you could pinpoint me to the portions of your submission

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and/or the cases that you claim favor your position that 14:44:54 2 the identification should not be delayed, and, Ms. 14:45:01 3 Andoh, you've mentioned a couple of cases that you say 14:45:04 4 favor the position that it should be, I want to think 14:45:08 5 about this, and while this whole topic is, is still 14:45:13 6 7 relatively fresh in my mind. I do want to write on 14:45:21 14:45:25 8 this, just for the parties' benefit and perhaps for Judge Vilardo's benefit, if somebody wants to take it up 14:45:30 9 to him, bearing in mind that any discovery-related 14:45:36 10 decision is usually reviewed on a, you know, clearly 14:45:39 11 erroneous standard. But I just, and I'm not, as I said 14:45:44 12 in my e-mail today, I'm not issuing any definitive 14:45:49 13 ruling right now. I can see both of your positions. 14:45:55 14 14:46:00 15 want to take a few days and get something out in writing and then we'll reconvene. I'll put the other aspects of 14:46:03 16 the other motions and so forth on hold. Because I think 14:46:07 17 18 we're going to go one way or the other on this. 14:46:11 14:46:14 19 what I want to do is proceed in the way that makes --20 14:46:19 that is most efficient for everybody and makes the most 21 amount of sense. You may agree or may disagree with 14:46:23 14:46:27 22 whatever approach I take, but I can assure you, I'm just 14:46:31 23 trying to come up with something that makes the most 14:46:35 24 sense for everybody. So, I will, if you can just both get me those citations, you can just shoot me an e-mail 14:46:40 25

MOOG, INC. VS. SKYRYSE, INC. 1 14:46:45 or whatever. I want to think about this a little bit. 2 I'm going to get something out to all of you in the next 14:46:48 3 couple of days on this issue and then we can reconvene. 14:46:51 4 Okay? 14:46:55 5 14:46:56 6 MR. LUMISH: Your Honor, may I ask, on the 7 question you also had about the IDS backlog, we've had a 14:46:58 chat going here, and one of my associates has suggested 14:47:07 8 that we may be finished. I don't want to represent that 14:47:11 9 to your Honor or Ms. Andoh until I confirmed it. 14:47:14 10 11 it also be acceptable if we sent an e-mail to your Honor 14:47:17 giving an update on where we stand on that giving you an 14:47:21 12 idea? 14:47:26 13 MAGISTRATE JUDGE MCCARTHY: On the IDS 14:47:27 14 14:47:28 15 backlog? 14:47:30 16 MR. LUMISH: Yes. You asked where we are and I want to make sure we're careful in telling you 14:47:35 17 14:47:38 18 where we are in that process. And so if you are open to 14:47:44 19 it, we can send you an e-mail also giving you a quick 20 14:47:49 report on that. 2.1 MS. ANDOH: And, your Honor, I ask that we 14:47:50 14:47:52 22 be allowed to do the same. Obviously, we may have 14:47:56 23 slight differences in opinion given where we are in the 14:48:00 24 process. Although, I will say this, your Honor, with 25 respect to the question of Skyryse and IDS's working 14:48:05

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MOOG, INC. VS. SKYRYSE, INC.

with each other, some of that work is being done ex parte, so, obviously, we're going to rely on their representations with respect to that.

MAGISTRATE JUDGE MCCARTHY: Okay. me just ask a couple of general questions because I'm going to draw today's session to a close. I know there are a couple of other issues out there, but I think this particular issue is one that I just want to get, get you my final view on how we're going to do this. And then you can take it up if you want. But, notwithstanding the number of disagreements that you have on a lot of issues, that you all strike me as very capable attorneys and very diligent and honest attorneys. I'm not just blowing smoke here. But I just want to, as I've done in the past, I want to encourage you all to try to work out among yourselves as many issues as you can because, and I don't say this in a whining sense, you may think I am, but I'm really not. I'm trying to deal with as many issues as I can, but you throw a lot at me and there are limits to what, you know, what I can decide. example, on this one, I think it's important that I put something down in writing. But I can't do that on everything. And so some of it, I'm just going to, you know, do the best I can on. But, what I just encourage

MOOG, INC. VS. SKYRYSE, INC. 1 you all to do is to continue your discussions and try to 14:49:49 2 work through as many issues on your own as you can 14:49:54 3 before you come to the Court. And I know, you know, 14:50:00 you're aware of the requirements under the discovery 14:50:04 5 rules that you do that anyway, and I think you have been 14:50:08 7 doing that. But there has been some suggestions that 14:50:11 14:50:14 8 one side or the other isn't fully meeting that obligation, and I'm not deciding whether or not that is 14:50:17 14:50:20 10 true. But I'll just say there are limits to what I can address in this case because I have other cases, just as 14:50:24 11 14:50:27 12 you do. So, I think I've said enough for today. As I 14:50:33 13 indicated, I will get a decision. I would like those e-mails -- well, today is Friday afternoon, if you can 14:50:36 14 14:50:40 15 get me something either over the weekend or by Monday that I can just try to get some type of preliminary 14:50:44 16 decision out to you sometime next week and then we can 14:50:48 17 14:50:53 18 decide when to reconvene. Okay? MS. ANDOH: Your Honor, does it make sense 14:50:55 19 14:50:56 20 for us to schedule a follow update now since we got everybody on the line just because? 14:51:00 21 14:51:02 22 MAGISTRATE JUDGE MCCARTHY: Yeah, that 14:51:03 23 probably makes some sense. Let me -- we just went to a 14:51:09 24 new calendaring system, which I'm not fully -- okay. Assuming I get something out to you next week, let me 25 14:51:18

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MOOG, INC. VS. SKYRYSE, INC.
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            just -- one of the problems is our scheduling system
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        2
            locks me out all of the time if I don't use it. I have
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        3
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        4
            to put my password back in. Okay.
                         How about I'll get something out to you next
14:51:42
        5
14:51:45
            week. And then we can -- how about if we reconvene, how
        6
            about Tuesday the 24th, maybe, at like maybe 4 o'clock.
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14:52:06
14:52:14
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                         MR. LUMISH: I have the 24th is a Sunday,
            your Honor.
14:52:18
        9
                         MAGISTRATE JUDGE MCCARTHY: It is?
14:52:18
       10
            sorry. Yeah, my bad.
14:52:21
       11
       12
                         Tuesday the 26th. I have availability at 4
14:52:23
            o'clock or our time or I could do.
14:52:30
       13
                         MR. LUMISH: That works for me, your Honor.
14:52:43
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14:52:44
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                         MS. ANDOH: That certainly works for
            Shepphard Mullin. Mr. Fluskey or Ms. Muto, are one of
14:52:50
       16
            you at least available?
14:52:52
       17
                         MR. FLUSKEY: Yes.
14:52:55
       18
                         MAGISTRATE JUDGE MCCARTHY: That works for
14:52:55
       19
            Plaintiffs.
14:52:57
       20
       2.1
                         MR. GREEN: If we do 4 o'clock, then, well,
14:52:57
14:53:02
       22
            I'll need my associate Alex to stand in for me. I will
14:53:06
       23
            not be able to do 4 o'clock.
14:53:08
       24
                        MAGISTRATE JUDGE MCCARTHY: Well, how about
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            Wednesday, July 27th, I have, I have one thing on in the
14:53:10
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1
                           MOOG, INC. VS. SKYRYSE, INC.
            morning, but I have the entire -- I currently have the
14:53:16
        2
            entire afternoon open, if that works better for people.
14:53:19
        3
                         MR. LUMISH: No better, your Honor, but I
14:53:25
        4
            can make that work.
14:53:27
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        6
                         MR. GREEN: If we could just, my problem is
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            only with the time of 4 o'clock. If we could do it 3
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        8
            eastern or earlier, I understand there are people on the
            west coast, I don't want to be difficult about this.
14:53:41
            And Mr. Truitt certainly is very capable of --
14:53:44
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                         MAGISTRATE JUDGE MCCARTHY: Well, are we
14:53:51
            still talking about the 26th? See, I have an oral
14:53:52
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            argument at 2 o'clock.
                         MS. ANDOH: Your Honor, the 27th, I think we
14:53:58
       14
14:54:01
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            can do the 27th. I would actually ask that it be
            earlier in the afternoon. Is it possible to do 1, 1:30,
14:54:05
       16
            something like that?
14:54:09
       17
                         MAGISTRATE JUDGE MCCARTHY: Sure.
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       18
            Currently the only thing I have is at -- I have a status
14:54:11
       19
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14:54:17
            conference at 10 a.m. So I could do 1, if you want.
       2.1
                         MR. FLUSKEY:
                                        1:30?
14:54:24
14:54:25
       22
                        MAGISTRATE JUDGE MCCARTHY: I'm sorry?
14:54:26
       23
                         MR. FLUSKEY: 1:30 would be preferable for
14:54:29
       24
            Hodgson Russ, if possible.
       25
14:54:30
                        MS. ANDOH: That is Mr. Fluskey.
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1
                           MOOG, INC. VS. SKYRYSE, INC.
                         MR. GREEN: I want to confirm we're talking
14:54:34
        2
            eastern time, 1:30.
14:54:37
        3
                         MAGISTRATE JUDGE MCCARTHY: Yes.
14:54:41
        4
                        Does that work for everybody?
14:54:42
        5
                         MR. FLUSKEY: That would, your Honor, thank
14:54:44
        6
        7
14:54:45
            you.
                         MAGISTRATE JUDGE MCCARTHY: Let me ask this.
14:54:45
        8
            Is there anybody else on this Hollywood squares who has
14:54:47
        9
            Covid?
14:54:53
       10
       11
                         UNIDENTIFIED PERSON: I had it in May.
14:54:57
                         UNIDENTIFIED PERSON: I am four days out, I
14:55:01
       12
14:55:02
       13
            win the competition, your Honor.
14:55:03
       14
                         MAGISTRATE JUDGE MCCARTHY: I wish you a
14:55:04
       15
            speedy recovery. And I'm glad we're talking through a
            screen rather than in person. And I do look forward to
14:55:08
       16
            meeting the rest of you in person one of these days.
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14:55:15
            Everybody enjoy your weekend and I'll just do a text
       18
            order scheduling the next conference. It will be by
14:55:19
       19
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            Zoom. And we will, as I said, I'll get something out to
       2.1
            you next week. Okay?
14:55:28
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       22
                         MR. LUMISH: Thank you, your Honor.
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       23
                         MS. ANDOH: Thank you, your Honor.
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      2.4
                         MR. GREEN: Thank you, your Honor.
      25
                        MAGISTRATE JUDGE MCCARTHY: Take care.
14:55:35
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                   MOOG, INC. VS. SKYRYSE, INC.
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                      CERTIFICATE OF REPORTER
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